

CONFIDENTIAL

File A18



10 DOWNING STREET

~~M. S. S.~~
To see.

AM
10:00

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

LOCAL GOVERNMENT

When you saw the Prime Minister this morning, she had a word with you about your minute A06063 of 23 November 1981 about the proposal that the CPRS should undertake a wide-ranging study of the options for achieving the Government's objectives for local government finance.

You said that the whole area of local government was under strain at present. There were problems of structure and of division of responsibility; the question of representation was becoming more acute; and the future of local government finance was already a major and controversial issue. What was needed was a thorough and detached study of all these matters. The CPRS was better placed to do this than the DOE, because it was not immersed in the day to day problems of local government and could stand back and look at the issues in as much detail as was necessary, without committing the Government in advance to any particular point of view.

The Prime Minister said that she was not convinced that this was a subject for the CPRS to study. Mr Heseltine had already given the matter a great deal of thought, and she was inclined to believe that any further work would be best done by his department. She did not want the CPRS to get bogged down in a massive exercise on local government. Bearing in mind her wish to direct the work of the CPRS more closely than hitherto, she would like to see their proposed programme of work for the next six to twelve months, so that she could put a study of local government in the context of the other tasks they would be undertaking. She could then decide what priority should be given to it. Other possibilities for the CPRS were studies on the future of regional policy and on the areas of industry where new jobs would come from. She would be grateful if you would arrange for Mr Ibbs to submit in the course of this month a proposed programme of work for 1982.

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She would then like to discuss this with him, you and Mr Hoskyns early in the New Year.

I am not copying this minute to the other recipients of your minute of 23 November.

JWW.

1 December 1981

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